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CLERK U.S. DISTRICT COURT
WESTERN DISTRICT OF WASHINGTON
DEPUTY

ORIGINAL

UNITED STATES DISTRICT COURT
WESTERN DISTRICT OF WASHINGTON
AT SEATTLE

CV02-1683

VALVE, L.L.C., a Washington limited liability
company,

Civil Action No.

Plaintiff,

COMPLAINT FOR COPYRIGHT
INFRINGEMENT

v

Jury Trial Demanded

SIERRA ENTERTAINMENT, INC. (AKA
SIERRA ON-LINE, INC), a Delaware
corporation,

Defendant.

Plaintiff Valve, L.L.C., ("Valve") hereby alleges as follows:

I. JURISDICTION AND VENUE

1. This is an action for copyright infringement under the Copyright Act, 17 U.S.C. § 501 *et seq.*
2. This Court has original jurisdiction over this action under 28 U.S.C. §§ 1331 and 1338 and has personal jurisdiction over Defendant Sierra Entertainment, Inc. ("Sierra") because it conducts business and has substantial contacts within this judicial district.
3. Venue is proper in this Court pursuant to 28 U.S.C. § 1391

II. THE PARTIES

4. Valve is a Washington limited liability company, maintaining its principal place of business at 520 Kirkland Way, #201, Kirkland, WA 98033. Valve is one of the world's leading developers of computer software games, including such titles as "Half-Life," "Counter-Strike," "Blueshift," "Gunman Chronicles," and "Team Fortress," (hereinafter collectively referred to as "Valve Games"). The Valve Games have been the subject of awards and accolades within the gaming community, including Half-Life being named "Game of the Year" for 1998 by over fifty industry periodicals and online publications.

5 Sierra is a Delaware corporation, maintaining its principal place of business at 3060 139'th Ave. SE, #500, Bellevue, WA, 98005 Sierra is a publisher of computer software games and publishes some of Valve's game titles, including the Valve Games.

III. STATEMENT OF FACTS

6. All of the Valve Games at issue contain software code commonly referred to as the Valve Engine Valve is the owner of the copyrights in the Valve Engine. (Copyright Reg TX 5-445-241, July 24, 2001). Valve also holds valid Copyright Registrations in Half-Life (Copyright Reg PA 915-913 January 28, 1999) and Half-Life Day One (Copyright Reg. PA 901-764, October 29, 1998) (Certificates of Recordation Vol. 3470 Pages 546 and 547, June 8, 2001) See Attached Exhibit A

7. On March 29, 2001, Sierra and Valve entered into a Software Publishing Agreement ("Agreement"), which set forth the scope of Sierra's license to reproduce, use, distribute, and license the Valve Games The Agreement specifically limited the scope of Sierra's license to reproduce, use, distribute, and license the Valve Games as "Retail Packaged Products."

8. Sierra has in the past and continues to reproduce, use, distribute, and/or license one or more of the Valve Games with regard to multi-player facilities in the United States and abroad, which are commonly known "internet cafés" and/or "cyber cafés." Internet cafes are multi-player

1 facilities that make computers available for use to the general public Reproducing, using,
2 distributing, and/or licensing the Valve Games with regard to cyber cafés is not within the scope of
3 Sierra's license and constitutes copyright infringement

4 9. The natural, probable, and foreseeable result of Sierra's infringing conduct has been
5 and will continue to be to deprive Valve of the benefits of reproducing, using, distributing, and/or
6 licensing the Valve Games and to deprive Valve of opportunities to expand goodwill associated with
7 the Valve Games

8 **COUNT I**
9 **COPYRIGHT INFRINGEMENT UNDER 17 U.S.C. §501**

10 10 Plaintiff realleges paragraphs 1-9 of this Complaint as if fully set forth herein

11 11 Valve is the owner of the registered copyrights for the Valve Engine, Half-Life, and
12 Half-Life Day One.

13 12. The Valve Games are built on and incorporate the Valve Engine

14 13 Sierra has in the past and continues to reproduce, use, distribute, and/or license one or
15 more of the Valve Games with regard to "cyber cafés " Sierra's activities are outside the scope of
16 Sierra's limited license to reproduce, use, distribute, and/or license the Valve Games as Retail
17 Packaged Products, and therefore constitute copyright infringement in violation of the Copyright Act
18 of 1976, 17 U S C §106

19 14. Sierra's infringing activity has caused and will continue to cause irreparable and
20 continuing harm to Valve, for which there is no adequate remedy at law, and will also cause
21 monetary damages

22 WHEREFORE, Plaintiff respectfully prays that this Court.

23 1. Issue a permanent injunction, enjoining and prohibiting Sierra, its agents, servants
24 employees, officers, attorneys, successors and assigns from reproducing, using, distributing, and/or
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1 licensing the Valve Games with regard to internet cafés, cyber cafés, or any other multi-player
2 facility;

3 2. Require Sierra to account to Valve for all profits and damages resulting from the
4 activities complained of in this Complaint;

5 3 Order an award of attorneys' fees and costs to Valve as provided by § 505 of the
6 Copyright Act, or as otherwise provided by the law,

7 4. An award of compensatory damages in an amount to be proved at trial, or in the
8 alternative, for an award of statutory damages; and

9 5. For such other and further relief as this Court deems appropriate

10 **IV. JURY DEMAND**

11 Plaintiff hereby demands a trial by jury of all issues in this case

12
13 DATED this 14th day of August, 2002

14 PRESTON GATES & ELLIS LLP

15
16 By 

17 Karl J. Quackenbush, WSBA #9602

18 Jason P. Holtman, WSBA #28233

19 Kristin J. Boraas, WSBA #32015

20 Attorneys for Plaintiff

21 Valve, L.L.C.
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EXHIBITS

NOT

SCANNED